

Message Text

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SUBJECT: REGIONAL STUDY ON CONVENTIONAL ARMS SUPPLY RESTRAINTS

REF: STATE 15423

1. FOLLOWING RESPONSES CONCERNING PERU AND CONVENTIONAL ARMS SUPPLY RESTRAINTS ARE KEYED TO QUESTIONS CONTAINED REFTTEL. THERE ARE TWO PRIMARY FACTORS FAVORING PERUVIAN ARMS RESTRAINT. THE FIRST IS GOP POLICY TO REDUCE OR AT LEAST NOT TO EXACERBATE TENSION WITH ITS NEIGHBORS, PARTICULARLY IN TRADITIONAL RIVAL CHILE. THIS WAS ONE FACTOR WHICH LED FORMER PERUVIAN PRESIDENT VELASCO IN 1974 TO PROPOSE A REGIONAL AGREEMENT AGAINST ACQUISITION OF OFFENSIVE ARMAMENTS. AS THE DEPARTMENT IS AWARE, THIS PROPOSAL WAS THE FORE-RUNNER OF THE DECEMBER 1974 CALL IN THE DECLARATION OF AYACUCHO FOR RESTRAINT IN ARMS ACQUISITIONS, WITH THE RESULTING SAVINGS TO BE DEVOTED TO ECONOMIC DEVELOPMENT.

2. THE SECOND MAJOR FACTOR FAVORING PERUVIAN ARMS RESTRAINT IS THE NEED TO USE SCARCE BUDGETARY RESOURCES TO FOSTER DEVELOPMENT AND SEEK THE REFORMIST GOALS OF THE PERUVIAN REVOLUTION. PERU'S CURRENT BUDGETARY AND BALANCE-OF-PAYMENTS STRINGENCIES MAKE THIS FACTOR PARTICULARLY TOPICAL.

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3. BUT ON PAST AND CURRENT FORM, THE OBSTACLES TO PERUVIAN ARMS

RESTRAINT OBVIOUSLY OVERRIDE THOSE FACTORS FAVORING IT. THERE ARE TWO PRIMARY OBSTACLES. THE FIRST IS THAT THE GOP IS A MILITARY GOVERNMENT, COMPOSED OF MEN WHOSE LIFETIME VOCATION IS DEFENSE OF THEIR COUNTRY, WHICH INCLUDES OBTAINING WHAT THEY DEEM TO BE THE ESSENTIAL MILITARY EQUIPMENT WITH WHICH TO ASSURE THEIR FORCES' MILITARY CAPACITY. THERE IS NO MEANINGFUL, EFFECTIVE "BRAKE" WITHIN THE PERUVIAN EXECUTIVE BRANCH, AND NO CONGRESS TO SET INTERNAL LIMITS TO ARMS ACQUISITION. EVEN THE PERUVIAN JOINT COMMAND DOES NOT PERFORM THIS FUNCTION AS REGARDS ARMS ACQUISITIONS, WHICH CONTINUE TO BE SEPARATELY PLANNED AND ORDERED BY EACH OF THE THREE SERVICES.

4. THE OTHER PRIMARY OBSTACLE IS THAT PERU CONTINUES TO FEAR HOSTILE ACTIONS BY CERTAIN OF ITS NEIGHBORS, PARTICULARLY CHILE. PERUVIAN OFFICERS HAVE ALSO NOTED TO US, AS JUSTIFICATION FOR THEIR ACQUISITION OF SOVIET TANKS, THAT PERU HAS BORDERS WITH FIVE COUNTRIES, NOT JUST ONE, AND MUST MODERNIZE ITS EQUIPMENT SO AS TO BE ABLE TO DEFEND AGAINST POTENTIAL AGGRESSION FROM ITS NEIGHBORS.

5. A SUB-REGIONAL APPROACH TO ARMS SUPPLY RESTRAINTS IS MORE THAN POSSIBLE, IT WAS ACTUALLY AGREED TO IN PRINCIPLE IN THE AYACUCHO EFFORT. PURSUANT TO THIS APPROACH, THERE HAVE BEEN MEETINGS AT THE WORKING LEVEL AND THE COUNTRIES INVOLVED ARE TURNING NOW TO CONSIDERATION OF LIMITATIONS ON ACQUISITION OF "SOPHISTICATED" ARMAMENTS. THIS MAY HOLD MORE PROMISE THAN THE "OFFENSIVE WEAPONS LIMITATION" APPROACH THEY TRIED INITIALLY.

6. PERU WOULD BE PARTICULARLY SENSITIVE TO, AND SUSPICIOUS AND RESENTFUL TOWARD ANY U.S. LEAD IN ARMS RESTRAINT IN THIS REGION. THE NATIONALISTIC, "THIRD WORLD", "ANTI-IMPERIALIST" GOP (AND ITS LEFTIST-LINE PRESS) WOULD REACT NEGATIVELY TO ANY HINT THAT THE U.S. WAS ATTEMPTING TO SETTLE MATTERS AMONG COUNTRIES IN THIS PART OF THE WORLD. THE GOP WOULD ALSO PROBABLY SUSPECT US OF COLLUSION WITH CHILE AND POSSIBLY BRAZIL, AND WOULD SEE ANY SUCH U.S. INITIATIVE AS SOMEHOW AIMED AGAINST REVOLUTIONARY PERU.

7. WE BELIEVE THAT MOST FEASIBLE RESTRAINT ARRANGMENTS FOR PERU WOULD INVOLVE NON-ACQUISITION OF CERTAIN TYPES OF WEAPONS.
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THE LIMITATIONS MIGHT BE GENERIC ("SOPHISTICATED ARMS") OR RELATE TO A SPECIFIC WEAPONS SYSTEM. THE FORCE STRUCTURE CEILINGS APPROACH MIGHT ALSO BE FEASIBLE. DISARMAMENT -- DESTRUCTION OF EXISTING WEAPONS -- WOULD PROBABLY BE LEAST FEASIBLE BECAUSE OF THE DIFFICULTY IN COMPELLING ANY ONE SERVICE TO DIVEST ITSELF OF ARMAMENTS IT HAS ACQUIRED FOR REASONS IT THOUGHT WERE FULLY VALID.

8. ONE PRECONDITION FOR PERUVIAN ARMS RESTRAINT WOULD INVOLVE A FURTHER RELAXATION OF TENSIONS BETWEEN PERU AND CHILE, WHICH COULD BE A BY-PRODUCT OF ANY EVENTUAL AGREEMENT FOR A BOLIVIAN OUTLET TO THE SEA. ANOTHER PRECONDITION WOULD BE ESTABLISHMENT WITHIN THE GOP --WHICH WE WOULD CONSIDER TO BE A HIGHLY UNLIKELY DEVELOPMENT -- OF SOME CENTRAL AND STRONG MECHANISM TO PUT SPECIFIC LIMITS ON ARMS ACQUISITIONS BY EACH OF THE THREE SERVICES.

9. THE LONG-TERM U.S. POLICY TOWARD REGIONAL ARMS LIMITATIONS, AS FAR AS PERU IS CONCERNED, SHOULD BE TO CONTINUE OUR LOW-KEY ENCOURAGEMENT OF ARMS CONTROL INITIATIVES BY THE COUNTRIES CONCERNED. WE SHOULD ALSO CONTINUE OUR CURRENT POLICY REGARDING A POSSIBLE BOLIVIAN OUTLET TO THE SEA. IF THE OUTLET NEGOTIATIONS ARE SUCCESSFUL, THERE WILL BE A BOLIVIAN CORRIDOR TO SEPARATE PERU AND CHILE PHYSICALLY, AND THEREFORE LESS OBJECTIVE REASON FOR THEM TO ARM AGAINST ONE ANOTHER ALONG THEIR PRESENT COMMON BORDER.

10. IF CONGRESS DRASTICALLY REDUCES OR ELIMINATES THE SECURITY ASSISTANCE PROGRAM, THE U.S. COULD PROBABLY MOVE TO A SYSTEM OF DIRECT COMMERCIAL SALES OF MILITARY EQUIPMENT AND TRAINING. IF WE ARE TO MEET THE COMPETITION FROM THIRD-COUNTRY SUPPLIERS OF MILITARY EQUIPMENT TO PERU, THE U.S. WOULD NEED TO DEVISE AND EXPAND FAVORABLE CREDIT ARRANGMENTS. TO KEEP THE U.S. SHARE OF THE PERUVIAN MARKET, COMMERCIAL ARMS SUPPLIERS WOULD NEED TO UPGRADE AND EXPAND THEIR SALES EFFORTS HERE.

11. A U.S. SECURITY GUARANTEE TO PERU WOULD BE NO INCENTIVE TO ARMS RESTRAINT. IN ALL LIKELIHOOD THE GOP WOULD NOT ACCEPT SUCH A GUARANTEE AND WOULD BE HIGHLY SUSPICIOUS OF OUR MOTIVES IN OFFERING IT. PERU DOES NOT PRODUCE ARMS. IF IT DECIDED TO DO SO FOR ITS

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OWN REASONS, A U.S. OFFER OF LIBERAL SUPPLY WOULD BE NO DETERRENT. THE STANDARD GOP STATEMENT ON ARMS PROCUREMENT HAS BEEN, AND REMAINS, THAT IT WILL BUY ARMS FROM WHATEVER SOURCE AND ON WHATEVER TERMS IT DEEMS CONVENIENT; THIS STATEMENT WOULD HOLD EQUALLY FOR ANY PLANS FOR PERUVIAN ARMS PRODUCTION.
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